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INFO RUEHOO/CHINA POSTS COLLECTIVE PRIORITY
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RUEHNH/AMCONSUL NAHA PRIORITY 3250
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 4335
RUEHKS/AMCONSUL SAPPORO PRIORITY 1721
RUEHGV/USMISSION GENEVA PRIORITY 3056
RUCPDO/USDOC WASHDC PRIORITY

C O N F I D E N T I A L TOKYO 001771

SIPDIS

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STATE FOR EAP/J RWINSHIP, EAP/CM JYAMAMOTO, EB/IPE-EFELSING
PLEASE PASS TO USTR JAPAN OFFICE-RMEYERS, CHINA
OFFICE-AWINTER, AND OCG SMCCOY
COMMERCE FOR NATIONAL COORDINATOR FOR IPR ENFORCEMENT
CISRAEL, ITA-SSEAMAN, USPTO LBOLAND, EWU

E.O. 12958: DECL: 04/20/2012

TAGS: [KIPR](#) [ETRD](#) [ECON](#) [WTRO](#) [PGOV](#) [CH](#) [JP](#)

SUBJECT: JAPAN TO JOIN CHINA/IPR WTO CASE AS THIRD PARTY

Classified By: Ambassador J.Thomas Schieffer for reasons 1.4 (b,d)

¶1. (C) SUMMARY: Trade Minister Amari announced on April 20 that Japan will join the U.S. as a third party in a WTO complaint against China on IPR prosecutions. The GOJ is worried about the Chinese reaction and will be monitoring it closely. Chinese Customs and Copyright agency officials warned Japanese Trade Ministry officials visiting China the week of April 9-13 that there might be a severe reaction if Japan were to join the U.S. complaint. Japanese press commentary acknowledges that Japan must keep up the pressure on China to improve IPR protection, but urges the GOJ to be cautious and not upset the dialogue and cooperation it has been able to forge with Chinese officials. Japan's decision to join the WTO complaint as a third party appears to be an attempt to demonstrate to both China and the U.S. that it is serious about the IPR problem in China, while hoping not to damage relations with either government. END SUMMARY.

¶2. (C) According to GOJ contacts, the timing of the U.S. complaint at the WTO, coming a day before Chinese Premier Wen Jiabao arrived in Japan and at the same time that Japan's fifth annual Joint Mission to China on IPR was in Beijing, could not have been more sensitive for Japan. The METI official who led the working level delegation for consultations with China's IPR officials, IPR Counsellor for Anti-counterfeiting Hiroki Matsubayashi, told Econoff on April 16 that many of the Chinese officials they talked to were "very angry" and "very emotional against the U.S." Some Chinese officials told them that "the U.S. has closed the door to dialogue."

¶3. (C) A METI attorney who was also a member of the delegation, Yusuke Wakebe told Econoff on April 20 that reaction had been particularly severe among Chinese officials dealing directly with copyrights and customs. However, Wakebe emphasized that other Chinese officials they talked to (the delegation met with 14 Chinese agencies in four days of meetings) "accepted" the legal arguments of the WTO case and reacted calmly. Wakebe said that the GOJ is worried that joining the WTO complaint will make it more difficult for Japan to deal with China and that they will be closely monitoring the Chinese reaction.

¶4. (C) Ryosuke Kuwana in MOFA's IPR Division noted that MOFA sent instructions to Japanese embassies in Washington and Beijing on April 19 to formally inform governments that Japan

would be joining the complaint in Geneva on April 20. Kuwana explained that was a follow-on to an "informal notification" by Trade Minister Amari to USTR Schwab earlier in the week.

15. (U) Editorials on the WTO complaint in the Yomiuri and Asahi acknowledged that the IPR problem in China is severe, but urged the Japanese government to "tread carefully." Both emphasized that Japan must press China to improve IPR protection while continuing dialogue and cooperation with China on the issues. While both newspapers cited growing protectionist feeling in the U.S. as a factor in the WTO complaint, the Yomiuri Shinbun thought that the U.S. was showing restraint by taking the case to the WTO rather than "rushing to take a unilateral approach by imposing sanctions based on domestic law."

SCHIEFFER